IPA Voluntary Limited Procurement of 2013-14 ComEd Curtailed RECs from Long-Term PPAs Summary of Comments and IPA Response, April 24, 2013	
GSG6, LLC ("GSG6") (as assignee of TianRun Shady Oaks, LLC)	**IPA**
GSG6 appreciates the IPA's efforts to shore up and honor the long-term renewable contracts and protect the integrity of the IPA's and the State of Illinois' contractual commitments.	The IPA and the State of Illinois do not have contractual commitments to the suppliers of the Long-Term PPAs (LTPPA). While the IPA oversaw the ICC approved procurement process, the contracts were between the utilities and the winning suppliers. To the extent available, the IPA did voluntarily commit using a portion of the Renewable Energy Resource Fund to purchase RECs that were curtailed pursuant to the contract between suppliers and utilities.
Price - Recover Prices for RECS As Outlined in the Underlying Long-Term Renewable Contracts	IPA is willing to pay a known fixed price per delivered REC as stated in the proposed term sheet. Additionally, the IPA considered, but ultimately rejected a floating financial swap structure because of the multitude of complications it represents, including the IPA's inability to mitigate related risks, compliance with reporting requirements and ongoing management of the transaction. The IPA determined that a fixed price, based on an Illinois Commerce Commission-approved imputed REC value meets the IPA's statutory obligations, provides for efficiency in administration, and therefore ensures as full of a payment as possible to LTPPA holders.
Payment - GSG6 proposes that the IPA provide payment for the curtailed RECs within 30 days after each supplier delivers the RECs to the IPA.	The IPA considered rolling payments, but due to the increased administrative burdens on the IPA determined they were not feasible.
Term - Extend the Term of the Voluntary REC Contracts Beyond the 2013-2014 Compliance Period. Indeed, this proposal is consistent with the IPA's original plan presented to the Illinois Commerce Commission. (*See* Final Order, Dec. 19, 2012, at 5-7 (table).) Extending the term of the voluntary contracts to include future compliance periods beyond 2013-2014 will better protect the integrity of the long-term renewable contracts…	Due to legislative uncertainty (including appropriations) and other potential legislatively authorized uses of the RERF, the IPA has not yet decided whether it will or will not offer the same or a substantially similar program for delivery year 2014. To clarify, the IPA, in its 2013 Procurement Plan as approved by the Illinois Commerce Commission, only stated its intention to have some discussion of possible mitigation strategies with sellers of the 2010 long-term contracts. The IPA appreciates the opportunity to clarify the purpose of the voluntary purchase. As described above, the IPA is undertaking the voluntary purchase for the limited purpose of procuring one year's worth of curtailed RECs. The IPA agrees that integrity of the LTPPA contracts is an important issue, but the IPA believes that it is the responsibility of the sellers to protect the integrity of their contracts and to use risk management strategies as may be appropriate. The IPA may consider the issue of curtailment during each subsequent annual planning process for spending the Renewable Energy Resources Fund.
EDPR and NextERA & Iberdrola	**IPA**
Price - The price of curtailed RECs purchased by the IPA should be determined in the same manner as the price paid by ComEd for non-curtailed RECs under the terms of the long-term PPAs.	See IPA's response to GSG6 above
The IPA should confirm that the Seller can deliver RECs in any amount, up to the Total Contract Quantity for DY 2013-14, in each of the four Delivery Seasons, and is not required to deliver RECs on a uniform pro rata basis for each Delivery Season, month, hour, or any other time period.	The IPA appreciates the opportunity to clarify this matter. The aspect that LTPPA holders are not subject to seasonal minimums is confirmed – the revised term sheet reflects this provision.
The IPA should confirm that it will accept invoices for a Delivery Season and approve them for payment, in accordance with its proposed timeline, even though the associated RECs may not have	The IPA understands the approach proposed but ultimately is unable to accept it. In order to maintain responsible fiscal controls, the IPA cannot accept invoices for RECs that have not

been posted on PJM EIS GATS by the payment approval date.	been previously transferred to the IPA's PJM EIS GATS or M-RETS account.
The IPA should not retire RECs that are delivered to it until the Seller is paid for those RECs.	The IPA considered this recommendation and agrees. The revised term sheet will include appropriate provision, as will the MOU
The Supplier Fee should be refundable to the extent that RECs are not delivered or there are insufficient funds in the RERF to pay for RECs contracted for delivery.	Both before and after the workshop with interested parties on April 3, 2013, the IPA considered this approach but rejected it. The IPA expects the Supplier Fee to be a relative small amount and it will largely cover program administration costs incurred on a good faith basis by the IPA. As such, the cost of refunding money may very well exceed the amount being refunded.
Question - EDPR and NextERA request that the IPA provide a detailed time line of the dates by which a Seller must deliver RECs, submit an invoice(s) and have payment(s) approved by the IPA in order for the payments to be made from the $8 million of RERF funds that were appropriated for State fiscal year July 1, 2012 – June 30, 2013 (rather than from appropriations for the following State fiscal year).	The response to this question has been separately answered.